
Joint administrators' final progress
report from 1 September 2015 to 25
August 2017

***Imtech Water Waste and
Energy Limited***
in administration

25 August 2017

High Court of Justice, Chancery Division,
Companies Court

Case no. 5698 of 2015

IR16M576

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company	Imtech Water Waste and Energy Limited
Administrators, we, our, us	Tony Barrell and Matthew Callaghan
firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
VAT	Value added tax
IUK	Imtech UK Limited
ITS	Imtech Technical Services Limited
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential

Key messages

Why we've sent you this report

I'm pleased to let you know that our work in the administration of Imtech Water Waste and Energy Limited is now complete and so, I set out below our final report.

You can still view our earlier reports on our website at www.pwc.co.uk/imtech. Please get in touch with Kate Whitham on 0113 289 4162 or at kate.whitham@pwc.com if you need any of the passwords to access the reports.

How much creditors have received

The following table summarises the final outcome for creditors.

Class of creditor	Dividend paid (p in £)	Previous estimate (p in £)
Secured creditors	N/A	N/A
Preferential creditors	100	100
Unsecured creditors	0.22	0.2 – 0.3

The Company does not have any secured creditors.

Preferential creditors (mainly employees) received a dividend of 100p in the £ in July 2016.

The prescribed part provisions do not apply in this case as there are no floating charge creditors.

Surplus funds in the Administration became available for unsecured creditors, and the first and final distribution for this class of creditor was 0.22 pence in the pound and was paid on 15 August 2017.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

The administration ends on 31 August 2017. In line with our proposals approved by creditors, on 9 November 2015, we filed notice of move from administration to dissolution on 25 August 2017. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

As resolved by the general body of creditors we will be discharged from liability in respect of any of our actions as joint administrators on 14 September 2017.

Overview of our work

Why we were appointed

You may remember that when we were appointed, the position was as follows:

- The Company is part of the UK division of the Imtech Group. It was primarily involved in providing technical solutions for clients including the planning, design, construction and maintenance of waste, water and energy plants.
- On 6 August 2015, the Imtech group's German division filed for insolvency in the German courts. This resulted in a number of claims and guarantees crystallising in Royal Imtech NV, as ultimate parent.
- On 11 August 2015, administrators in the Netherlands were appointed over Royal Imtech NV and on 13 August 2015 they were appointed trustees in bankruptcy.
- As a result of the insolvency of Royal Imtech NV, payments were suspended between the group companies and the group cash pools were frozen. The consequence of this and the stakeholder uncertainty caused by insolvencies across the Imtech group (i.e. Germany and the Netherlands) was that the UK division was unable to continue to fund trading operations. This led to the appointment of administrators over IUK and ITS, the Company's UK parent, on 28 August 2015.
- Due to the loss making position of the Company, the business was reliant on the continued financial support of the group including ITS. Following the appointment of the administrators over IUK and ITS, the business had no access to support or funding from its group. Due to the level of funding required and creditor pressure, including a winding up petition that had been served on the Company, the directors consequently sought a court order for the appointment of the Administrators.

Asset realisation

After an initial review, on appointment, the administrators of IUK and ITS sought to achieve a sale of the UK division as a whole including the Company. However, due to the loss-making nature of the business and the potential claims arising under its contractual obligations for certain loss-making projects, a sale of the Company was not possible.

As a sale of the Company business and assets as a standalone going concern was also not possible therefore our strategy was to focus on maximising realisations from individual assets.

Immediately on our appointment, we secured and took control of the Company's assets, which included:

- Cash at bank;
- Nereda and consultancy businesses;
- Intellectual property;
- Plant and equipment;
- Leasehold property;
- Tax losses; and
- Interest in non-connected property.

As explained in our earlier reports, we have now sold all assets of the Company and no further realisations are expected.

Connected party transactions

No connected party transactions have been made.

Other issues

We've stayed in office in order to pay a distribution to unsecured creditors.

Since we last wrote to you, we've paid a distribution to creditors in the sum of 0.22 pence in the pound.

Approval of our proposals

We issued to creditors our proposals dated 20 October 2015 for achieving the purpose of administration.

We stated in the Proposals that we were pursuing objective (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

Creditors approved our proposals without modification at a meeting on 9 November 2015.

We attach a summary of our proposals at Appendix A.

Investigations and actions

Nothing came to our attention during the administration to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods. HMRC raised no queries on our and has confirmed that it has no objection to the administration ending.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 22 July 2017 to 25 August 2017.

Receipts in the period were:

- Dividend from ITS in the sum of £17,567.11.

Payments included:

- Bank charges of £55.75;
- Legal fees and expenses of £5,351.90;
- Office Holders' expenses of £8,720.37;
- Office Holders' fees of £274,256.95; and
- The distribution to unsecured creditors in the sum of £152,639.31.

Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

Our fees

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

Pre-administration costs

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.r3.org.uk/media/documents/publications/professional/Administration%20Creditor%20Fee%20Guide%20April%202017.pdf>

You can also get a copy free of charge by telephoning Kate Whitham.

If you've got any questions, please get in touch with Kate Whitham on 0113 289 4162.

Yours faithfully
For and on behalf of the Company



A S Barrell
Joint administrator

A S Barrell and M B Callaghan have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. Both are licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales. The joint administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

Appendix A: Summary of our proposals

The Administrators made the following proposals for achieving the purpose of administration:

1. We will continue to manage and finance the Company's business, affairs and assets from asset realisations as we consider appropriate. We will do this with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
2. We may investigate and, if appropriate, pursue any claims the Company might have. We will also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Company's assets or to maximise realisations or for any other purpose incidental to these proposals.
3. If we believe there will be money for unsecured creditors, we may (at our discretion) agree in principle the claims of unsecured creditors for confirmation by a subsequent liquidator or the administrators. The costs of doing this may be charged to the administration, as part of our fees. If we choose not to agree the claims in principle and there is money for unsecured creditors, a subsequent liquidator will agree the claims.
4. If we believe there will be money for unsecured creditors, we may (at our discretion) ask the court to allow us to pay dividends to those creditors. If we choose not to ask the court for such an order and there is enough money for unsecured creditors, a subsequent liquidator will pay dividends to them.
5. We will ask you to elect a creditors' committee and there will be a creditors' committee if enough creditors want to be on it. We will consult with the committee from time to time and where we think it is appropriate we will ask the committee for its views on a course of action rather than calling a creditors' meeting.
6. If we wish to extend the administration beyond the statutory maximum of one year, we will ask any creditors' committee for its views before applying to the court or getting agreement from the appropriate classes of creditors.
7. We may use one or more "exit route" strategies to end the administration, but we are likely to choose one of the following options as being the most cost effective and practical in this case:-
 - If there are insufficient funds to pay a dividend to unsecured creditors, once we have finished our work we will file a notice with the Registrar of Companies and the Company will be dissolved three months later; or
 - If there are sufficient funds to pay a dividend to unsecured creditors, once we have finished our work, we will put the Company into creditors' voluntary liquidation. If this happens, we propose that Anthony Barrell and Matthew Callaghan are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) Sch. B1 IA86 and Rule 2.117A(2)(b) IR86; or
 - Once we have disposed of the assets we will pay any surplus funds to unsecured creditors subject to receiving any court approval that may be necessary. Following the distribution to unsecured creditors, we will end the administration by filing a notice with the Registrar of Companies and the Company will be dissolved three months later.

8. We will be discharged from liability in respect of any of our actions as administrators at a time set by the court.
9. We propose that the unpaid pre-administration costs (set out at Section 9) are approved for payment as expenses of the administration. The payment of unpaid pre-administration costs as expenses of the administration is subject to approval under Rule 2.67A IR86 and is not part of the proposals subject to approval under Paragraph 53 Sch. B1 IA86. If you elect a committee it will be up to that committee to approve payment of the unpaid pre-administration costs as expenses of the administration. But if there is no committee, we will ask the general body of creditors to do so instead.
10. We propose that our fees be fixed based on the time we and our staff spend on the case at our normal charge our rates for this type of work. We also propose that disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) are charged as per our firm's policy as set out in Section 11.
11. It will be up to the creditors' committee to fix the basis of our fees and Category 2 disbursements. But if there is no committee, we will ask the general body of creditors to do so instead. If creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointment.
12. We will ask you to vote upon the following matters at the creditors' meeting:
 - The approval of our proposals for achieving the purpose of administration;
 - The formation of a creditors' committee;
 - If creditors don't form a committee, the approval for payment of the unpaid pre-administration costs as an administration expense; and
 - If creditors don't form a committee, the basis of our fees and Category 2 disbursements.

Appendix B: Receipts and payments

Directors' statement of affairs	Administrators' abstract receipts and payments	From appointment to 21 July 2017	22 July 2017 to 25 August 2017	Total
£		£	£	£
535,985.00	Receipts Cash in hand Dividend from Imtech Technical Services Non refundable deposit Sale of intellectual property rights Sale of Nereda pilot plants Contribution to costs regarding sale of tax losses Sale of tax losses Refunds Bank interest Book Debts	558,061.24 - 42,000.00 220,000.00 50,000.00 1,721.50 255,185.24 4,510.66 2,388.16 38,455.96	- 17,567.11 - - - - - - -	558,061.24 17,567.11 42,000.00 220,000.00 50,000.00 1,721.50 255,185.24 4,510.66 2,388.16 38,455.96
535,985.00	Payments Bank charges Employee wages Legal Fees & Expenses Fees in relation to tax work Miscellaneous expenses Office holders' fees Office holders' expenses Office holders' fees - pre-appointment PAYE/NIC and Pension Deductions Postage and Stationery Statutory advertising Storage Costs Insurance Agents' Fees - Property & Assets	1,172,322.76 63.50 44,629.61 112,923.92 1,000.00 345.90 400,000.00 - 78,013.92 20,605.77 147.91 207.00 14,463.62 649.53 7,889.64	17,567.11 55.75 - 5,351.90 - - 274,016.63 8,720.37 - - - - - -	1,189,889.87 119.25 44,629.61 118,275.82 1,000.00 345.90 674,016.63 8,720.37 78,013.92 20,605.77 147.91 207.00 14,463.62 649.53 7,889.64
-		680,940.32	288,144.65	969,084.97
535,985.00	Sub total	491,382.44	(270,577.54)	220,804.90
	Distribution to preferential creditors 100p in £	(67,745.47)	-	(67,745.47)
	Distribution to unsecured creditors 0.2p in £	-	(152,639.31)	(152,639.31)
	VAT payable/(receivable)	(1,016.26)	596.14	(420.12)
535,985.00	Balance on interest bearing current account	422,620.71	(422,620.71)	-

Appendix C: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors.

The table should be read in conjunction with the receipts and payments account at Appendix B, which shows expenses actually paid during the period and the total paid to date.

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £
Administrators' time costs	682,260.30	31,872.25	714,132.55
Administrators' disbursements	8,720.37	-	8,720.37
Legal fees and disbursements	75,830.72	-	75,830.72
Statutory advertising	207.00	-	207.00
Storage	21,963.62	-	21,963.62
Insurance	649.53	-	649.53
Total	789,631.54	32,122.25	821,503.79

A refund was received in respect of on overpayment of storage costs in the sum of £201.02. This receipt is show in the above receipts and payments account.

Appendix D: Remuneration update

Our fees were approved on a time costs basis by unsecured creditors. We've drawn fees of £674,016.63 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £31,872.25 with a total of £714,132.55 incurred over the course of the administration.

As agreed, partner and director time will be charged at 75%.

We set out later in this Appendix details of our work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £	Total time £
Strategy & Planning	-	-	0.20	-	0.90	-	-	1.10	377.50	343.18	44,602.20
Trading	-	-	-	-	-	-	-	-	-	-	67,159.00
Assets	-	-	-	-	-	-	-	-	-	-	112,377.00
Investigations	-	-	-	-	-	-	-	-	-	-	9,230.25
Creditors	-	-	13.80	6.70	5.85	25.25	8.00	59.60	20,013.75	335.80	183,083.50
Accounting and treasury	-	-	-	-	1.15	0.20	-	1.35	441.75	327.22	16,137.50
Statutory and compliance	-	3.00	1.40	-	14.55	0.40	0.50	19.85	6,903.75	347.80	142,713.30
Tax & VAT	-	-	0.20	0.30	1.40	0.50	-	2.40	1,150.50	479.38	61,261.80
Employees & pensions	-	-	-	0.60	0.15	-	-	0.75	377.25	503.00	74,810.95
Closure procedures	-	-	0.10	-	8.65	-	-	8.75	2,607.75	298.03	2,757.05
Total for the period	0.00	3.00	15.70	7.60	32.65	26.35	8.50	93.80	31,872.25	339.79	714,132.55
Brought forward at 21 July 2017								1,714.54	682,260.30		
Total								1,808.34	714,132.55		

Our time charging policy and hourly rates

We and our team charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account their experience and any specialist knowledge needed and we supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We didn't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration.

Grade	Up to 30 June 2017 £	From 1 July 2017 £
Partner	840*	865*
Director	740*	760*
Senior manager	560	575
Manager	480	495
Senior associate – qualified	400	412
Senior associate – unqualified	295	304
Associate	250	258
Support staff	125	129

We called on colleagues in our Tax, VAT, Real Estate and Pensions departments where we needed their expert advice. Their specialist charge-out rates varied but the following were the maximum rates by grade per hour.

Grade	Up to 30 June 2017 £	From 1 July 2017 £
Partner	1,250*	1,315*
Director	1,150*	1,210*
Senior manager	1,110	1,230
Manager	700	735
Senior Associate / consultant	515	545
Associate / assistant consultant	255	270
Support staff	150	160

In common with many professional firms, our scale rates rose to cover annual inflationary cost increases.

*As agreed, we will only bill partner and director time at a rate of 75%.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of: -

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> Progress updates with appointment takers and senior management 	<ul style="list-style-type: none"> To ensure appointee involvement and that all vital information is captured 	<ul style="list-style-type: none"> Ensures efficient management of the administration
Creditors	<ul style="list-style-type: none"> Dealing with enquiries from creditors and creditor correspondence 	<ul style="list-style-type: none"> To keep creditors updated 	<ul style="list-style-type: none"> Ensures return of funds to creditors

	<ul style="list-style-type: none"> • Final adjudication of claims • Internal discussions re complex claims agreement • Finalising dividend calculation • Preparing and issuing a notice to declare the dividend 	<ul style="list-style-type: none"> • To prepare for returning funds to creditors 	
Accounting & treasury	<ul style="list-style-type: none"> • Accounting for receipts and payments • Bank reconciliations • Arranging payment of dividend by BACS and cheque 	<ul style="list-style-type: none"> • To ensure management of the bank account is up to date 	<ul style="list-style-type: none"> • Secured stewardship of estate funds
Statutory & compliance	<ul style="list-style-type: none"> • Draft and issue progress report • Manager and appointee reviews • Other statutory and compliance matters 	<ul style="list-style-type: none"> • To comply with statutory obligations 	<ul style="list-style-type: none"> • Required by statute or regulation
Tax and VAT	<ul style="list-style-type: none"> • Preparing and submitting final VAT return • Drafting VAT assignment document • Reconciling VAT accounts to ensure all VAT has been recovered • Dealing with queries from HMRC • Liaising with HMRC re tax clearance position 	<ul style="list-style-type: none"> • To comply with statutory obligations 	<ul style="list-style-type: none"> • Required by statute or regulation
Employees and pensions	<ul style="list-style-type: none"> • Reviewing and finalising employee claims in preparation for unsecured dividend. 	<ul style="list-style-type: none"> • To comply with statutory obligations • To keep creditors abreast of developments 	<ul style="list-style-type: none"> • Required by statute or regulation
Closure	<ul style="list-style-type: none"> • Obtaining clearances from external parties in preparation for closure • Drafting details of costs to close • Preparing final report to creditors 	<ul style="list-style-type: none"> • To ensure proper closure of the case 	<ul style="list-style-type: none"> • Ensures efficient closure of the case

Payments to associates

No payments have been made to associates during the course of the administration.

Disbursements

We didn't need to get approval to draw expenses or disbursements unless they were for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allowed for all properly incurred expenses to be recharged to the administration and has been approved by the creditors where required.

No disbursements have been incurred during the period of this report.

Our relationships

We had no business or personal relationships with the parties who approved our fees or who provided services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

An element of the pre appointment tax work was subcontracted to KPMG LLP as they had the prior knowledge to complete the returns. No costs have been incurred during the period of this report.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services	• Addleshaw Goddard LLP	• Knowledge and expertise	• Time costs basis plus disbursements
Tax work	• KPMG LLP	• Prior knowledge and expertise	• Fixed fee

Appendix E: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment on 9 November 2015.

Nature of costs	Amount (£)
Fees charged by the administrators	78,104
Expenses incurred by the administrators	38,582
Fees charged by other persons qualified to act as an insolvency practitioner	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-
Total	116,596

Appendix F: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court Case number 5698 of 2015
Company's registered name:	Imtech Water Waste and Energy Limited (Formerly Imtech Process Limited)
Trading name:	As above
Registered number:	03455127
Registered address:	Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	1 September 2015
Joint administrators' names, addresses and contact details:	Anthony Steven Barrell of PricewaterhouseCoopers LLP, Donnington Court, Pegasus Business Park, Donnington, East Midlands, DE74 2UZ; and Matthew Boyd Callaghan of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Contact: kate.whitham@pwc.com
Extension(s) to the initial period of appointment:	Extension granted on 15 August 2016 to 1 September 2017.